

U.S. Department of Justice

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PRESS RELEASE

December 14, 2005

TWO CITY EMPLOYEES SENTENCED IN KICKBACK CASE

RE: UNITED STATES v. MARK STEDMAN AND DAVID LIPPA

Acting United States Attorney Kathleen M. Mehlretter announced today that Mark Stedman, age 47, of Spencerport, New York, and David Lipa, age 58, of Rochester, New York, were sentenced by United States District Court Judge Charles J. Siragusa in connection with their previous guilty pleas to bribery, in violation of 18 U.S.C. §666, which carries a maximum sentence of 10 years imprisonment, a \$250,000 fine, or both.

Assistant U.S. Attorney Richard A. Resnick, who handled the case, stated that Stedman was sentenced to 2 years probation and fined \$1,000. Lipa was sentenced to six months of community confinement, a fine of \$3,000 and 3 years probation.

Stedman and Lipa were rehabilitation specialists for the City of Rochester, and were responsible for writing specifications for the rehabilitation of privately owned housing within the city. The homeowners must first qualify for a grant program administered by the city and funded by HUD. The homeowner then has to select four construction companies to bid on the project and one of these companies has to be minority owned. These grants range between \$10,000 and \$30,000 per project and the homeowner may qualify for more than one type of grant.

Stedman and Lipa admitted to receiving bribes from various contractors in return for steering

contracts to the contractors during the years 1998 through 2004. Previously, city employees Steven Young and Borys Yakowyna pled guilty to receiving bribes. Contractors Jose Cipolla and Frank Guido previously pled guilty to perjury in the grand jury.

The conviction was the culmination of a joint investigation on the part of the Federal Bureau of Investigation, under the direction of Special Agent in Charge Peter Ahearn, the U.S. Department of Housing and Urban Development, Office of Inspector General, under the direction of Ruth Ritzema, and the United States Postal Inspection Service, under the direction of William E. Kezer.